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Disparities in Globalization of the World Economies

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Abstract

This paper constructs composite indices of globalization of 131 countries spread over the five continents and classified into World-I, World-II and World-III countries. KOF, the Business Cycle Research Institute in the Swiss Federal Institute of Technology, Zurich is the source of data used in this study. The Composite Indices of Globalization have been computed by Pena's method, which attributes the most desirable properties to the indices so constructed. On the basis of these indices, the paper investigates into the trends of globalization and disparities in globalization for a period of 11 years (1999-2009). Disparities have been obtained as the Gini's coefficient as well as the coefficient of variation. The study finds that in all the three worlds, the trends in globalization are increasing while the trends in the disparities in globalization are decreasing, which suggest global integration and convergence of national economies to a global order. We also find that social indicators of globalization explain the variations in per capita income more potently than economic or political indicators of globalization do.

Keywords: Globalization, composite index, disparities, global integration, convergence.

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I. Introduction

Globalization is the process of integration of economies and societies all over the world permitting international flow of people, culture, knowledge, technology, finance and physical resources as well as evolution of the communication system and political relations among the nations that facilitate such flow. It is the "process of creating networks of connections among actors at multi-continental distances, mediated through a variety of flows including people, information and ideas, capital and goods. Globalization is conceptualized as a process that erodes national boundaries, integrates national economies, cultures, technologies and governance and produces complex relations of mutual interdependence" (Dreher, 2006). The decision of a nation (or the Government of that nation) to integrate herself in the globalization process is political, though such a decision may be an outcome of various apolitical forces. In action, such decisions, however, are reflected in breaking down of trade barriers or protective barriers such as tariffs and quotas, standardization of international economic laws and policies, establishment of embassies, rationalization of the policies on international communication and human migration, and promotion of a cosmopolitan culture.

While science & technology and the desire (or need) to manage the society on the principles of exchange (Boulding, 1973) or the market economy have been the most powerful force to promote globalization, geographical barriers, ethnic differences, plurality in the belief system as to management of economies and societies, injustice, drive of the some to dominate over the others, ill effects of an incompetent governance of socioeconomic processes, etc. have been the forces that restrict it. Globalization is necessarily a process leading to homogenization which has both plus and minus sides. An inability to balance the two restricts the scope of globalization. From the economic viewpoint globalization may contribute to economic growth through spread effect, increased specialization and appropriation of comparative advantages (Bhagwati, 2004), but if the process is not managed properly, it may induce back-wash effect and adverse social consequences (Bauman, 1998).

II. Globalization in a Historical Perspective

After the World War II the countries of the world were divided into two blocs, the World-I and the World-II. In World-I are the capitalist, industrial, developed countries, most of which have been highly advanced economies, wield greatest influence, enjoy highest standards of living, and are equipped with greatest technology - such as Australia,

Austria, Belgium, Canada, Denmark, Finland, France, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, UK, USA, West Germany, etc. In World-II were the countries that supported the socialistic or communist philosophy – mostly from Eastern Europe the countries such as Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Soviet Union (USSR, Ukraine, Belarus, Uzbekistan, Kazakhstan, Georgia, Azerbaijan, Lithuania, Moldova, Latvia, Kirghizstan, Tajikistan, Armenia, Turkmenistan, and Estonia), Yugoslavia, etc. The countries that were neither aligned to capitalism and NATO nor did they ascribe to the communist philosophy (remained nonaligned to the Soviet Union) were classified into the World-III. Some economists (Manuel and Possums, 1974) further classify the poor, marginal countries having primitive economies into the sub-class of the World-IV countries. The World-III countries included most of Africa, Asia and Latin America and characterized primitive to less developed (developing) economies. Rostow (1960) argued that the World-III countries have mostly not yet reached the stage of 'take off' and, therefore, foreign aid was needed to help kick start industrialization and economic growth in those countries. Such an aid was also politically appropriate to lure the World-III countries to revolve around the World-I countries and keep a safe distance from the World-II countries. In matters of foreign aid, most of the development economists in the 1950s through 1970s were almost unanimous. According to Bauer (1981), therefore, the World-III countries have been very much prone to solicit and receive Western aid.

The division of countries on the planet into the three sub-worlds (World-I, World-II and World-III) was an event that found its origin in international power politics, which continued for over 40 years as the cold war between the Eastern and the Western Blocs. The World-III countries continued to be the 'objects to acquire' for the two blocs, aiming at which political, social, economic and strategic policies were designed by both the blocs according to their suitability. This cold war proved to be the greatest barrier to globalization. However, the cold war lost its vigor in the last decade of the 20th century on account of two historical forces; disintegration of the Soviet Union and international indebtedness of the World-III countries.

Disintegration of the Soviet Union: On account of many forces that weakened the Eastern Bloc, the Union of Soviet Socialist Republics (USSR) finally disintegrated in the end of 1991. The USSR economy rested on the state ownership of means of production, centralized economic and administrative planning, and undue favor to manufacturing of armaments and heavy capital goods at the cost of light capital goods, consumer durables and the consumer goods in general. Due to dictatorial and repressive tendencies of the government, the feedback system that could help formulate efficient plans remained underdeveloped, which led to overproduction of some goods on the one hand and underproduction of other goods at the other, leading

to wastage and shortage. Inefficiency, corruption, supply and use of false information, black marketing, etc weakened the soviet economy, leading to its stagnation. In the 1980s, Mikhail Gorvachev went in for liberalization to address the economic stagnation. Liberalization led to the emergence of long-repressed nationalist movements and ethnic disputes within the diverse republics of the Soviet Union. Ultimately, the constituent members of the union resolved to dissolve the USSR. This disintegration paved the way to globalization of the countries in World-II and World-III (Khan, 2009).

International Indebtedness and Insolvency of the World-III Countries: Most of the World-III countries (such as Afghanistan, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Republic of the Congo, Comoros, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Ivory Coast, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia, etc) have been heavily indebted (to the extent of insolvency and debt overhang) to the international funding organizations and World-I countries. Some of them chose to be indebted in the name of promoting development although the funds borrowed to the said end were mismanaged and lost to the corruption. In other cases, the funds were borrowed for the arms race. In some other cases, a heavy burden of debt was a legacy of colonialism, the result of the transfer of the debts of the colonizing nations to those countries. In yet other cases they had a heavy burden of odious debt (Sack, 1929; Howse, 2007). In several developing economies, heavy international debt has led to economic crisis. In some others, structural adjustment is thrust upon them resulting into deformed public expenditure. In case of many countries, therefore, globalization was a result of economic arm-twisting.

III. Quantification of the Extent of Globalization

It is generally agreed that a composite index of globalization can be constructed by synthesizing many indicators of globalization, each representing a particular aspect, so as to compare different countries as to the extent of globalization attained by them. Several indices of the extent of globalization have been suggested, all of which are based on different formulas of synthesis of the indicators of different aspects of globalization, but the KOF index of globalization is considered to be the most comprehensive one (Samimi, et al., 2012).

The KOF Index of Globalization: As summarized by Mishra (2012), Business Cycle Research Institute (KOF or Konjunkturforschungsstelle) in the Swiss Federal Institute of Technology (ETH or Eidgenössische Technische Hochschule), Zurich has, since 2002, been compiling a vast information on different aspects of globalization and constructing the KOF Index of Globalization, year-wise, for a very large number of countries (KOF, 2012). The KOF Index of Globalization synthesizes three aspects of globalization, viz.

economic, social and political. Under economic globalization, actual economic flows (such as trans-border trade, direct investment and portfolio investment, ECO-1) and restrictions on trans-border trade as well as capital movement by means of taxation, tariff, etc (ECO-2) are included. In social globalization, trans-border personal contacts (degree of tourism, telecom traffic, postal interactions, etc, SOC-1), flow of information (SOC-2) and cultural proximity (SOC-3) are included. The political globalization (POL-1) includes the number of embassies and high commissions in a country, membership of international organizations, participation in UN peace missions, and the treaties signed between two or more states (Dreher, 2006; Dreher et al., 2008). The three sub-indices (economic, social and political) are constructed by the method of the Principal Component Analysis (PCA) so that the sub-indices explain the maximum possible variation in the data. At the subsequent level, the three sub-indices are synthesized into the overall index of globalization using the PCA. Thus, methodologically, the KOF Index of Globalization is an application of the Principal Component Analysis at two stages.

IV. Objectives and Methodology of the Present Study

This study aims at, first, constructing the composite index of globalization by a mythology different from the KOF and secondly to investigate how, in the recent years, the extent of globalization has been distributed over the regions. We have used the KOF data (available at KOF, 2012) for 131 countries and 11 years, 1999-2009, distributed over Asia, Europe, America, Africa and Australia, and classified into the three worlds – World-I, World-II and World-III. Thus, in this study we are concerned with the economic rather than the geographical regions.

The Method of Aggregation: It has been pointed out that, methodologically, the KOF index of globalization uses the PCA at two levels. This approach has two limitations; first that it is inefficient since it neglects the information on covariance (or correlation) among the constituent variables comprising the three aspects of globalization, viz. economic, social and political, and secondly that it is inconsistent because at the first stage of aggregation it presumes independence among the constituent variables across the different aspects of globalization, but subsequently, at the second stage of aggregation, it considers the three aspects of globalization interdependent (Mishra, 2012). In the present study, we have used Pena's method of constructing the composite indices, applied on the pooled data (11 years) of all the constituent variables at one go.

Pena's method of construction of synthetic indicator is based on Pena's P2-distance (DP2) defined as:

$$Z_i = DP2_i = \sum_{j=1}^{m}\left[\left(\frac{d_{ij}}{\sigma_j}\right)\left(1-R^2_{j,j-1,\ldots,1}\right)\right]; i = 1,2,\ldots,n \qquad \ldots \qquad (1)$$

where: $i = 1, 2, ..., n$ are cases (i.e. countries); m is the number of constituent variables, X, such that $x_{ij} \in X; i = 1, 2, ..., n; j = 1, 2, ..., m$; $d_{ij} = \left| x_{ij} - x_{rj} \right|; i = 1, 2, .., n; j = 1, 2, ..., m$; r is the reference case; σ_j is the standard deviation of variable j; $R^2_{j, j-1, ..., 1}$; $j > 1$ is the coefficient of determination in the regression of x_j over $x_{j-1,} x_{j-2}, ..., x_1$. Moreover, $R^2_1 = 0.$ A synthetic indicator ($Z = Xw$) constructed by Pena's method is claimed to have almost all desirable properties (Somarriba & Pena, 2009; Montero et al., 2010; Garcia et al., 2010). An iterative method (Montero et al., 2010) is used to synthesize the constituent variables into the synthetic (composite) indicator. A FORTRAN source code for the said iterative method (for cardinal and ordinal constituent variables) is free downloadable from http://nehu-economics.info/pena-synthetic-index.html.

The Measure of Disparity: The present study uses Gini's coefficient of variation as a measure of disparity. Gini's coefficient is computed by the formula:

$$[1/\bar{x}]\left[\{1/(2n^2)\}\sum_{i=1}^{n}\sum_{j=1}^{n}\left|x_i - x_j\right|^{\alpha}\right]^{(1/\alpha)} \quad \ldots \quad (2)$$

The formula in (2) is called Gini's coefficient (of variation) for $\alpha = 1.$ For $\alpha = 2$ it is called the coefficient of variation (CV). As usual, $\bar{x}$ $(= [1/n]\sum_{i=1}^{n} x_i)$ is the arithmetic mean of $x.$

V. The Findings

It has been found that among the indicators of globalization trans-border trade, direct investment and portfolio investment (ECO-1) obtains the largest weight. Indicator of political globalization incorporating the number of embassies and high commissions in a country, membership of international organizations, participation in UN peace missions, and the treaties signed between two or more states (POL-1) obtains the second largest weight followed by cultural proximity (SOC-3) and restrictions on trans-border trade as well as capital movement by means of taxation, tariff, etc (ECO-2). Next, trans-border personal contacts such as degree of tourism, telecom traffic, postal interactions, etc, (SOC-1) and flow of information (SOC-2) follow the suit. The correlation coefficients of the composite index of globalization (Z) with the constituent indicators, however, do not reciprocate to the weights obtained by the latter. SOC-2 has the largest correlation followed by SOC-3, ECO-2, SOC-1 and ECO-1. The smallest correlation has been exhibited by POL-1.

Table-1: Weights obtained by the Constituent Variables and their Correlation with the Composite Index of Globalization

Indicators of Globalization	ECO-1	ECO-2	SOC-1	SOC-2	SOC-3	POL-1
Weights obtained by the Indicators	1.00000	0.48221	0.37849	0.34943	0.54400	0.65190
Relative weights (sum = 1.00)	0.29360	0.14158	0.11112	0.10259	0.15972	0.19140
Correlation with Composite Index	0.69612	0.83876	0.81560	0.91353	0.86174	0.54417

The standardized composite indices ($Z^* = (Z - Z_{\min}) / (Z_{\max} - Z_{\min})$) for globalization (for 131 countries and 11 years, 1999 through 2009) are presented in Table-2. The countries are arranged in the descending order of the magnitude of numerically measured index of globalization in the base year 1999.

Table-2: Synthetic/Composite Index of Globalization (Z^*) obtained by Pena's Method

Country / Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Belgium	0.9732	0.9897	0.9844	0.9878	0.9870	0.9862	0.9864	0.9902	0.9990	1.0000	0.9981
Netherlands	0.9343	0.9418	0.9397	0.9277	0.9401	0.9326	0.9402	0.9461	0.9610	0.9619	0.9509
Austria	0.8912	0.9172	0.9210	0.9159	0.9231	0.9136	0.9342	0.9388	0.9679	0.9551	0.9499
Canada	0.9368	0.9437	0.9380	0.9308	0.9211	0.9187	0.9122	0.9130	0.9122	0.9080	0.8996
Denmark	0.8816	0.9206	0.9251	0.9100	0.9205	0.9164	0.9287	0.9288	0.9344	0.9266	0.9089
Switzerland	0.9249	0.9425	0.9367	0.9299	0.9265	0.9054	0.9106	0.9067	0.9117	0.8962	0.8969
Singapore	0.8864	0.8903	0.9121	0.9123	0.9251	0.9145	0.8565	0.9127	0.9196	0.9245	0.9226
Ireland	0.8863	0.8959	0.9036	0.8951	0.8952	0.8834	0.9088	0.9067	0.9025	0.9026	0.9830
Sweden	0.8770	0.8814	0.8770	0.8847	0.8856	0.8925	0.8945	0.8997	0.8959	0.8924	0.8879
United Kingdom	0.8859	0.8914	0.8873	0.8892	0.8947	0.8867	0.8927	0.8862	0.8862	0.8816	0.8787
Finland	0.8793	0.8972	0.8983	0.8897	0.8843	0.8967	0.8731	0.8782	0.8950	0.8837	0.8583
Czech Republic	0.8039	0.8265	0.8484	0.8591	0.8656	0.8955	0.9124	0.9255	0.9282	0.9179	0.9160
Portugal	0.7997	0.8285	0.8379	0.8250	0.8357	0.9022	0.8982	0.9072	0.9177	0.9137	0.9093
Spain	0.8454	0.8677	0.8778	0.8722	0.8728	0.8650	0.8695	0.8755	0.8809	0.8809	0.8623
Luxembourg	0.7936	0.7980	0.8100	0.8422	0.8461	0.8621	0.8523	0.8499	0.9206	0.9188	0.9205
Hungary	0.8047	0.8047	0.8132	0.8006	0.8038	0.8483	0.8691	0.9007	0.9027	0.9068	0.9100
France	0.8093	0.8368	0.8278	0.8284	0.8316	0.8423	0.8431	0.8497	0.8597	0.8600	0.8605
Norway	0.8162	0.8178	0.8148	0.8069	0.8254	0.8126	0.7988	0.8176	0.8296	0.8302	0.8396
New Zealand	0.8138	0.8370	0.8293	0.8249	0.8107	0.8087	0.8074	0.8183	0.8147	0.8139	0.7913
Germany	0.7790	0.8028	0.8027	0.8155	0.8138	0.8160	0.8231	0.8279	0.8344	0.8247	0.8167
Australia	0.8072	0.8204	0.8242	0.8226	0.8280	0.8188	0.8072	0.8100	0.8130	0.7895	0.8052
Slovak_Rep	0.6693	0.7060	0.7215	0.7229	0.7267	0.8070	0.8678	0.8810	0.8871	0.8930	0.8909
Italy	0.7773	0.7955	0.7915	0.7911	0.7936	0.8022	0.7974	0.7909	0.7975	0.7925	0.7865
Greece	0.7151	0.7215	0.7683	0.7717	0.7831	0.7914	0.7904	0.8015	0.8269	0.8356	0.8176
Cyprus	0.6472	0.6630	0.6792	0.6856	0.7099	0.8041	0.8021	0.8147	0.9399	0.9336	0.9302
Poland	0.7090	0.7139	0.7048	0.7244	0.7581	0.8173	0.7979	0.8330	0.8454	0.8259	0.8438
Estonia	0.6872	0.7208	0.7360	0.7476	0.7544	0.7772	0.7776	0.8215	0.8394	0.8448	0.8387
Malta	0.6927	0.6920	0.6831	0.7203	0.7226	0.7750	0.7749	0.7969	0.8073	0.8032	0.8014
Slovenia	0.6422	0.6669	0.6885	0.6933	0.7200	0.7810	0.7694	0.7951	0.8310	0.8357	0.8132
Malaysia	0.7044	0.7142	0.7436	0.7432	0.7354	0.7433	0.7365	0.7476	0.7515	0.7558	0.7521
Iceland	0.7420	0.7571	0.7660	0.7556	0.7702	0.7106	0.7157	0.6904	0.6953	0.7554	0.7062
United States	0.7286	0.7364	0.7261	0.7150	0.7221	0.7315	0.7365	0.7468	0.7524	0.7372	0.7173
Croatia	0.5909	0.5996	0.6250	0.6475	0.6808	0.7290	0.7407	0.7543	0.7782	0.7792	0.7816
Chile	0.6160	0.6398	0.6596	0.6307	0.6462	0.6741	0.6946	0.7041	0.7212	0.7145	0.7045
Bulgaria	0.5891	0.6184	0.6210	0.6207	0.6538	0.6740	0.6565	0.7072	0.7593	0.7547	0.7265
Russian_Fedr	0.5511	0.6264	0.6453	0.6634	0.6773	0.6723	0.6706	0.6761	0.6829	0.6523	0.6686
Kuwait	0.6454	0.6310	0.6386	0.6329	0.6383	0.6409	0.6470	0.6564	0.6781	0.6739	0.6848
Latvia	0.5653	0.5815	0.6019	0.6203	0.6379	0.6759	0.6846	0.7174	0.7121	0.6985	0.6510
Israel	0.5762	0.5901	0.6315	0.6302	0.6299	0.6450	0.6516	0.6517	0.6626	0.7023	0.6948
Jordan	0.5765	0.5789	0.6010	0.5956	0.6157	0.6184	0.6361	0.6535	0.6916	0.7017	0.6872
Bahrain	0.6160	0.6192	0.6425	0.6509	0.6541	0.6432	0.6093	0.6217	0.6258	0.6300	0.6335
Lithuania	0.5187	0.5453	0.5740	0.6027	0.6160	0.6411	0.6591	0.6779	0.6956	0.7050	0.6672
Romania	0.5190	0.5332	0.5348	0.5467	0.5568	0.5996	0.6247	0.6377	0.7378	0.7293	0.7243
Panama	0.5833	0.5947	0.6022	0.5804	0.5890	0.6008	0.6010	0.6089	0.6279	0.6428	0.6582
Serbia	0.3951	0.4748	0.4728	0.5751	0.6261	0.6359	0.5645	0.6646	0.6915	0.7018	0.7027
Ukraine	0.4960	0.5332	0.5417	0.5438	0.5579	0.5740	0.5907	0.5997	0.6315	0.6508	0.6597

Turkey	0.4820	0.5021	0.5351	0.5258	0.5310	0.5388	0.6337	0.5986	0.6350	0.6372	0.6489
Barbados	0.4972	0.5066	0.5219	0.5504	0.5569	0.5551	0.5956	0.6115	0.6128	0.5684	0.5925
Argentina	0.5914	0.5999	0.5743	0.5820	0.5592	0.5683	0.5485	0.5418	0.5399	0.5310	0.5231
Costa Rica	0.5379	0.5340	0.5250	0.5362	0.5595	0.5152	0.5550	0.5868	0.6033	0.6031	0.5859
Japan	0.5065	0.5200	0.5230	0.5246	0.5408	0.5379	0.5436	0.6042	0.6119	0.5896	0.5898
Mauritius	0.4329	0.4295	0.4920	0.4704	0.5282	0.5254	0.5851	0.6426	0.6632	0.6742	0.6010
Bosnia&Hrzgvna	0.3923	0.4701	0.4849	0.4907	0.5090	0.5434	0.5495	0.6076	0.6342	0.6230	0.6163
Jamaica	0.5046	0.5204	0.4713	0.4505	0.5061	0.5879	0.5437	0.5582	0.5705	0.5645	0.5458
Thailand	0.4589	0.4925	0.5240	0.5197	0.5111	0.5246	0.5401	0.5542	0.5561	0.5497	0.5864
Uruguay	0.5004	0.5084	0.5223	0.4850	0.5087	0.5273	0.5374	0.5385	0.5474	0.5691	0.5674
Trinidad-Togo	0.5487	0.5588	0.5777	0.5185	0.5129	0.4830	0.5088	0.5106	0.5064	0.5041	0.5126
South Africa	0.4785	0.4971	0.5227	0.5201	0.5051	0.4997	0.5097	0.5253	0.5410	0.5480	0.5430
Korea, Rep.	0.4708	0.4946	0.5179	0.5086	0.5095	0.5224	0.5079	0.5193	0.5392	0.5442	0.5414
Tunisia	0.4624	0.4741	0.4895	0.4942	0.4955	0.5101	0.5312	0.5226	0.5337	0.5361	0.5292
Moldova	0.3874	0.4336	0.4443	0.4414	0.5200	0.5157	0.5074	0.5417	0.5788	0.5751	0.5906
El Salvador	0.4347	0.4282	0.4507	0.4793	0.4866	0.5099	0.5118	0.5318	0.5455	0.5706	0.5575
Mexico	0.4878	0.5010	0.4938	0.5047	0.4891	0.4834	0.5067	0.5025	0.5058	0.5034	0.5277
Venezuela_RB	0.5186	0.5170	0.5165	0.5253	0.5397	0.4797	0.4862	0.4743	0.4690	0.4574	0.4294
Brazil	0.4720	0.4640	0.4884	0.4828	0.4732	0.4851	0.4865	0.4866	0.5041	0.5073	0.5197
Morocco	0.3464	0.4252	0.4595	0.4736	0.4855	0.4838	0.5218	0.5122	0.5396	0.5446	0.5581
Peru	0.3796	0.4452	0.4508	0.4503	0.4615	0.4687	0.4898	0.5051	0.5397	0.5468	0.5391
Honduras	0.4121	0.4017	0.4072	0.4603	0.4784	0.4836	0.5079	0.5172	0.5233	0.5328	0.5250
Oman	0.4508	0.4592	0.5312	0.4508	0.4459	0.4632	0.4718	0.4683	0.5023	0.4869	0.5178
Guyana	0.4778	0.5188	0.5412	0.4762	0.4679	0.4451	0.4270	0.4724	0.4501	0.4577	0.4380
Ecuador	0.4340	0.4454	0.4348	0.4404	0.4886	0.4981	0.4985	0.4972	0.4963	0.4622	0.4375
Macedon_FYR	0.2607	0.3641	0.3844	0.4242	0.4225	0.4369	0.4966	0.5028	0.6319	0.5995	0.5784
EgyptArab_Rep.	0.4062	0.4225	0.4327	0.4369	0.4293	0.4472	0.4784	0.4942	0.5079	0.5031	0.5065
China	0.3554	0.3778	0.4082	0.4262	0.4365	0.4653	0.4975	0.4906	0.5022	0.4869	0.4902
Philippines	0.4089	0.4258	0.4473	0.4605	0.4461	0.4732	0.4653	0.4642	0.4523	0.4319	0.4343
Namibia	0.4205	0.4420	0.4510	0.4546	0.4240	0.4814	0.4451	0.4207	0.4536	0.4617	0.4540
Colombia	0.3984	0.3987	0.4151	0.4183	0.4400	0.4409	0.4350	0.4882	0.4972	0.4841	0.4827
Kazakhstan	0.3341	0.3876	0.4088	0.4232	0.4353	0.4417	0.4681	0.4571	0.5098	0.5097	0.5147
Kyrgyz_Rep	0.3521	0.4030	0.3924	0.3850	0.3759	0.4385	0.4550	0.5132	0.5417	0.5123	0.5097
Bahamas	0.4159	0.4272	0.4498	0.4366	0.4321	0.4434	0.4519	0.4503	0.4581	0.4434	0.4497
Guatemala	0.3806	0.3530	0.3769	0.3833	0.3851	0.4662	0.4812	0.4903	0.5014	0.5016	0.4947
Dominican_Rep	0.3265	0.4100	0.4333	0.3950	0.4087	0.4640	0.4592	0.4943	0.5095	0.4485	0.4499
Fiji	0.3969	0.3803	0.4173	0.4304	0.4207	0.4269	0.4318	0.4737	0.4631	0.4555	0.4302
Nicaragua	0.3855	0.4111	0.4086	0.4237	0.4388	0.4374	0.4066	0.4452	0.4373	0.4325	0.4492
Azerbaijan	0.2356	0.2950	0.3138	0.3634	0.3872	0.4352	0.5152	0.5101	0.5421	0.5265	0.5254
Bolivia	0.4368	0.4281	0.4200	0.3896	0.3935	0.4123	0.4217	0.4241	0.4251	0.4235	0.4183
Algeria	0.3629	0.3963	0.3922	0.4244	0.4241	0.4330	0.4467	0.4464	0.3815	0.4118	0.4662
Zambia	0.3639	0.3837	0.3905	0.4172	0.4108	0.4614	0.4308	0.4374	0.4419	0.4153	0.4060
Georgia	0.3018	0.3277	0.3479	0.3613	0.3753	0.4002	0.3962	0.4362	0.5011	0.5145	0.5124
Paraguay	0.2886	0.3308	0.4016	0.3881	0.3878	0.4157	0.4299	0.4394	0.4454	0.4387	0.4651
Senegal	0.3304	0.3482	0.3528	0.3882	0.4062	0.4215	0.4097	0.4183	0.4308	0.4376	0.4565
Armenia	0.3059	0.3841	0.3946	0.3479	0.3605	0.3765	0.4260	0.4375	0.4318	0.4495	0.4658
Indonesia	0.3827	0.3844	0.3844	0.3472	0.3533	0.3927	0.4196	0.4236	0.4254	0.4160	0.4148
Belize	0.3649	0.3719	0.3844	0.3701	0.3788	0.3740	0.3848	0.3893	0.3791	0.3757	0.3766
Botswana	0.3346	0.3687	0.3477	0.3757	0.3830	0.3659	0.3535	0.4037	0.4068	0.3713	0.3871
Nigeria	0.3082	0.3254	0.3241	0.3292	0.3560	0.3527	0.3758	0.3947	0.4292	0.4290	0.4398
Ghana	0.2830	0.3510	0.3441	0.3625	0.3758	0.3967	0.3987	0.3552	0.3817	0.3701	0.4075
Zimbabwe	0.3098	0.3295	0.3218	0.3432	0.3612	0.3618	0.3302	0.3773	0.3904	0.4121	0.4013
Sri Lanka	0.2568	0.3405	0.3514	0.3462	0.3624	0.3587	0.3660	0.3911	0.3983	0.3850	0.3590
Albania	0.2204	0.2180	0.2803	0.3363	0.3417	0.3190	0.3388	0.3752	0.4100	0.4385	0.4738
Cote d'Ivoire	0.3074	0.3215	0.3194	0.3458	0.3362	0.3395	0.3352	0.3476	0.3641	0.3639	0.3646
Pakistan	0.2477	0.2958	0.3143	0.3464	0.3374	0.3271	0.3461	0.3588	0.3776	0.3760	0.3723

Papua_N-Guin	0.2936	0.2621	0.3049	0.3591	0.3511	0.3275	0.3269	0.3434	0.3843	0.3695	0.3667
India	0.2483	0.2660	0.2759	0.2902	0.3011	0.3008	0.3203	0.3633	0.3726	0.3645	0.3656
Mongolia	0.1924	0.2224	0.2233	0.2832	0.3082	0.3123	0.3362	0.3807	0.3833	0.3892	0.4321
Mozambique	0.2526	0.2857	0.2630	0.2772	0.2676	0.3035	0.3198	0.3221	0.3221	0.3204	0.3628
Kenya	0.2544	0.2641	0.2745	0.2950	0.2798	0.3110	0.3110	0.3152	0.3315	0.3258	0.3289
Angola	0.2498	0.2536	0.2669	0.2726	0.2868	0.2824	0.3105	0.3276	0.3535	0.3337	0.3242
Cameroon	0.2551	0.2563	0.2496	0.2774	0.2775	0.3035	0.3051	0.2836	0.3126	0.3275	0.3283
Togo	0.3338	0.2542	0.2183	0.2138	0.2629	0.2806	0.3123	0.3261	0.3272	0.3128	0.3180
Vietnam	0.1780	0.2046	0.2249	0.2525	0.2669	0.2954	0.2934	0.3308	0.3671	0.3933	0.3463
Lesotho	0.2368	0.2541	0.2476	0.2778	0.2772	0.2800	0.2789	0.2770	0.2786	0.3428	0.2876
Mauritania	0.1751	0.2060	0.2154	0.2280	0.2309	0.2501	0.2681	0.2715	0.3093	0.3828	0.3648
Iran_Islm_Rep	0.1657	0.1927	0.1978	0.2721	0.2875	0.2722	0.2675	0.2867	0.2715	0.2715	0.2868
SyrianArab-Rep	0.1437	0.1615	0.1729	0.2039	0.2168	0.2461	0.2537	0.2735	0.2839	0.2692	0.2832
Mali	0.1390	0.1529	0.1893	0.2223	0.2346	0.2448	0.2371	0.2721	0.2577	0.2653	0.2897
Madagascar	0.1113	0.1353	0.1528	0.1411	0.1536	0.2575	0.2430	0.2728	0.2783	0.2887	0.2946
Malawi	0.1475	0.1528	0.1825	0.1762	0.1991	0.2156	0.2129	0.2118	0.2244	0.2599	0.2245
Burkina Faso	0.1500	0.1525	0.1592	0.1710	0.1870	0.1951	0.2074	0.2227	0.2404	0.2464	0.2654
Benin	0.1316	0.1495	0.1592	0.1617	0.1741	0.2058	0.2065	0.2193	0.2743	0.2561	0.2584
Uganda	0.0764	0.0994	0.1191	0.1344	0.1717	0.2473	0.2334	0.2447	0.2670	0.2970	0.3002
Bangladesh	0.0671	0.1051	0.1248	0.1359	0.1274	0.1477	0.1654	0.1969	0.2212	0.2270	0.2271
Nepal	0.0742	0.1881	0.1861	0.1830	0.1177	0.1264	0.1467	0.1537	0.1584	0.1631	0.1691
Chad	0.0462	0.0000	0.0285	0.1161	0.1263	0.1975	0.1967	0.2131	0.2191	0.2171	0.2385
Tanzania	0.0569	0.0765	0.0844	0.0952	0.1432	0.1594	0.1707	0.1791	0.1921	0.1879	0.1985
Sierra Leone	0.0429	0.0762	0.0743	0.0815	0.0857	0.1791	0.1770	0.1745	0.1846	0.1814	0.1878
Ethiopia	0.0373	0.0725	0.0788	0.0765	0.1344	0.1741	0.1713	0.1798	0.1753	0.1623	0.1504
Rwanda	0.0171	0.0293	0.0677	0.0705	0.0791	0.0877	0.1298	0.1505	0.1759	0.2063	0.2223
Niger	0.0632	0.0761	0.0804	0.0904	0.0935	0.1042	0.1110	0.1384	0.1304	0.1442	0.1765
Burundi	0.0147	0.0498	0.0528	0.0493	0.0816	0.1015	0.1167	0.1232	0.1891	0.1913	0.2093
Centrl_Afric_Rep	0.0082	0.0268	0.0337	0.0390	0.0413	0.0470	0.1071	0.1442	0.1213	0.1470	0.1789

Trends in Overall Disparities in Globalization: We observe (Fig-1, Table-3) that the disparities in the overall levels of globalization (in 131 countries) are gradually decreasing over time and signifies the tendency to convergence (Fig.-1).

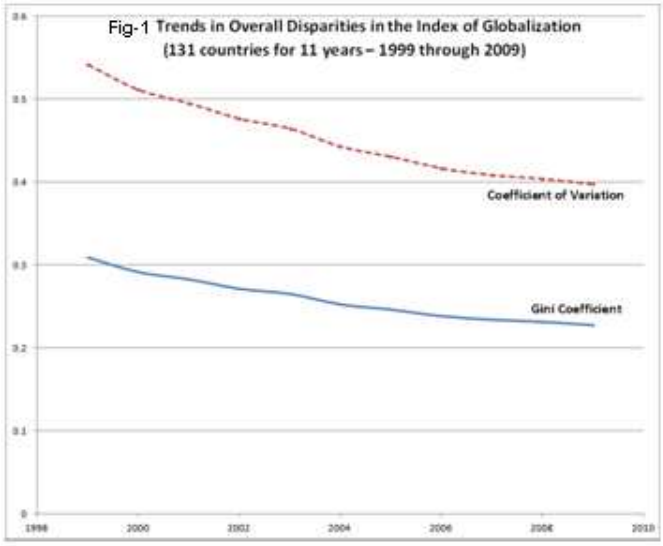

Fig-1 Trends in Overall Disparities in the Index of Globalization (131 countries for 11 years – 1999 through 2009)

Table-3. Gini Coefficient and Coefficient of Variation of Overall Index of Globalization

Year	Mean	Gini	CV
1999	0.45721	0.30924	0.54167
2000	0.47773	0.29162	0.51155
2001	0.48877	0.28293	0.49534
2002	0.49520	0.27147	0.47653
2003	0.50438	0.26523	0.46474
2004	0.51986	0.25260	0.44290
2005	0.52713	0.24629	0.43077
2006	0.54137	0.23842	0.41675
2007	0.55680	0.23412	0.40853
2008	0.55645	0.23152	0.40408
2009	0.55630	0.22758	0.39738

Trends in World-wise Disparities in Globalization: The mean levels of globalization in all the three worlds are increasing (Fig.2, Table-4), though the rate of globalization is faster in the World-II. It may also be noted that especially after 2006 stagnation is observed. The stagnation is observed in case of World-I and World-III, too. This slow-down may be attributed to the world economic crisis (Chinn, 2011).

Fig.-2. Trends in the Mean Level of Globalization

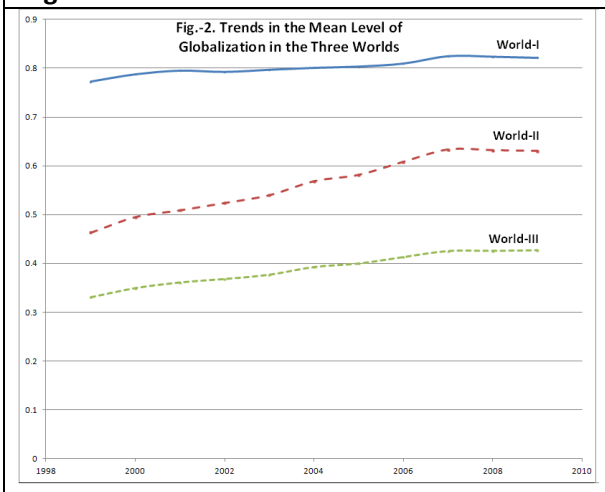

Fig.-3. Trends in Disparities in Globalization

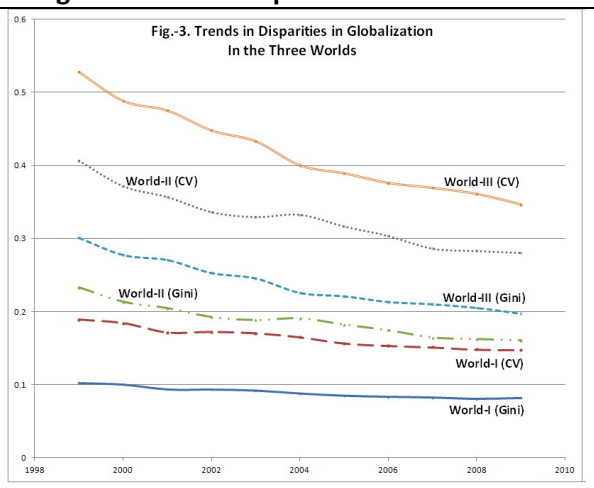

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Table-4. Trends in the Mean Level and Disparities in Globalization in the three Worlds

	World-I			World-II			World-III		
Year	Mean	Gini	CV	Mean	Gini	CV	Mean	Gini	CV
1999	0.77237	0.10252	0.18875	0.46310	0.23297	0.40630	0.33087	0.30081	0.52789
2000	0.78748	0.10047	0.18398	0.49512	0.21345	0.37150	0.34974	0.27744	0.48836
2001	0.79496	0.09369	0.17136	0.50884	0.20471	0.35678	0.36131	0.27068	0.47524
2002	0.79239	0.09351	0.17219	0.52389	0.19259	0.33621	0.36845	0.25286	0.44788
2003	0.79689	0.09210	0.17023	0.53984	0.18841	0.32952	0.37724	0.24553	0.43299
2004	0.80079	0.08803	0.16480	0.56837	0.19081	0.33260	0.39301	0.22570	0.40011
2005	0.80345	0.08487	0.15645	0.58138	0.18213	0.31668	0.40021	0.22121	0.38929
2006	0.80973	0.08339	0.15322	0.60818	0.17453	0.30373	0.41347	0.21341	0.37611
2007	0.82503	0.08236	0.15120	0.63316	0.16463	0.28646	0.42581	0.21031	0.36943
2008	0.82385	0.08050	0.14813	0.63165	0.16256	0.28329	0.42616	0.20528	0.36106
2009	0.82147	0.08168	0.14752	0.63025	0.16078	0.28062	0.42731	0.19732	0.34674

Disparities in the level of globalization in the World-I are decreasing, but, especially in case of the World-III disparities are declining faster than in the other two worlds. The countries of the erstwhile World-II have gone in for globalization more vigorously.

Relationship between Globalization and Per Capita Income: Fig.-4 presents the relationship between per capita GDP (in US Dollars) and the Index of globalization in 2009. It is interesting to note (Table-6) that when Ln[PCGDP(USD)] is regressed on the (aspect-wise) KOF Indicators of Globalization (ECO-1, ECO-2, SOC-1, SOC-2, SOC-3,

POL-1, presented in Table-5) for the year 2009, we find that SOC-1 and SOC-3 are the most influential indicators, followed by SOC-2. Economic indicators (ECO-1 and ECO-2) are rather poor and POL-1 is negligible at explaining the variations in Per capita income.

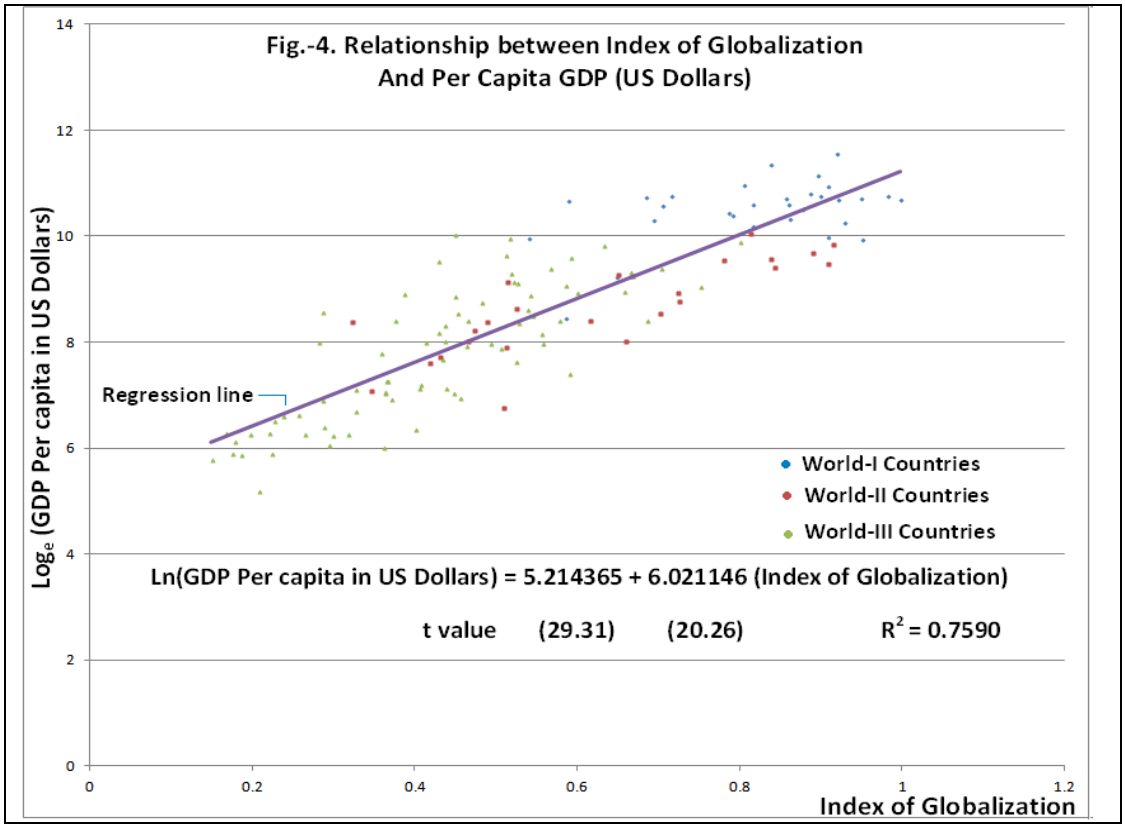

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Table-5. Aspect-wise KOF Indicators of Globalaization and Per Capita GDP in Different Countries, 2009								
Sl #	**Country**	**PCGDP(USD)**	**ECO-1**	**ECO-2**	**SOC-1**	**SOC-2**	**SOC-3**	**POL-1**
1	Albania	8.20985	0.61156	0.69732	0.56705	0.56276	0.03373	0.74695
2	Algeria	8.40581	0.55786	0.49747	0.36723	0.63184	0.03481	0.85456
3	Angola	8.37147	0.78027	0.49315	0.09858	0.53050	0.01000	0.50499
4	Argentina	9.12282	0.55497	0.33335	0.41731	0.63630	0.40596	0.93090
5	Armenia	8.01665	0.58671	0.72905	0.54907	0.71673	0.02834	0.51732
6	Australia	10.95289	0.73564	0.78960	0.71312	0.76514	0.91181	0.91773
7	Austria	10.71794	0.87887	0.84065	0.86246	0.89308	0.94751	0.97309
8	Azerbaijan	8.63728	0.65620	0.55721	0.44913	0.76559	0.33551	0.57854
9	Bahamas	10.01958	0.69662	0.13708	0.81262	0.63663	0.48326	0.48204
10	Bahrain	9.8083	0.96508	0.81420	0.85031	0.65570	0.43159	0.48650
11	Bangladesh	6.50728	0.32626	0.36345	0.20229	0.39100	0.01216	0.77418
12	Barbados	9.5817	0.90189	0.47397	0.77656	0.88725	0.10601	0.42252
13	Belgium	10.68773	0.96007	0.88299	0.82250	0.95976	0.90852	0.97912
14	Belize	8.41094	0.88754	0.24829	0.68551	0.50178	0.09738	0.45792
15	Benin	6.608	0.36711	0.42765	0.40476	0.35324	0.06825	0.75013
16	Bolivia	7.58984	0.62733	0.52180	0.39372	0.51783	0.04128	0.78407
17	Bosnia&Hrzgvna	8.40693	0.52037	0.70959	0.48916	0.92158	0.06610	0.77237

18	Botswana	8.90964	0.62706	0.61944	0.56908	0.47836	0.08552	0.59747
19	Brazil	9.27949	0.53740	0.53336	0.19817	0.63820	0.37120	0.94025
20	Bulgaria	8.75857	0.77785	0.72572	0.54313	0.83631	0.39397	0.86460
21	Burkina Faso	6.25383	0.32927	0.51703	0.33224	0.37974	0.07473	0.74778
22	Burundi	5.17615	0.23630	0.34544	0.14498	0.51514	0.06286	0.62520
23	Cameroon	7.09589	0.48419	0.43071	0.16501	0.53284	0.05207	0.73263
24	Canada	10.74421	0.72140	0.79955	0.79646	0.92821	0.94003	0.94161
25	Centrl_Afric_Rep	6.11147	0.40353	0.29269	0.15822	0.36631	0.03158	0.64319
26	Chad	6.58893	0.59349	0.29748	0.24514	0.36669	0.01000	0.64975
27	Chile	9.38328	0.82577	0.83940	0.38929	0.73761	0.40584	0.90179
28	China	8.37885	0.45227	0.57282	0.19526	0.54345	0.74942	0.86705
29	Colombia	8.73601	0.58410	0.43384	0.29971	0.61754	0.38656	0.81588
30	Costa Rica	9.06832	0.66526	0.68909	0.58120	0.75066	0.43867	0.61462
31	Cote d'Ivoire	7.05099	0.62422	0.42581	0.46223	0.54885	0.04884	0.58868
32	Croatia	9.53387	0.73334	0.72411	0.78624	0.90267	0.41123	0.86722
33	Cyprus	10.25288	0.90021	0.81669	0.85361	0.97750	0.91923	0.80283
34	Czech Republic	9.84368	0.88115	0.84532	0.68687	0.94107	0.91489	0.88438
35	Denmark	10.93007	0.85943	0.86067	0.83361	0.85326	0.90287	0.93758
36	Dominican_Rep	8.85666	0.57301	0.56800	0.53226	0.59821	0.36487	0.58938
37	Ecuador	8.31214	0.51592	0.39478	0.33544	0.55258	0.39411	0.82020
38	EgyptArab_Rep.	7.88382	0.48129	0.49466	0.38797	0.60082	0.35504	0.94022
39	El Salvador	8.13915	0.58557	0.70716	0.48164	0.63405	0.41712	0.79695
40	Estonia	9.55641	0.88055	0.88727	0.74963	0.97224	0.45246	0.74815
41	Ethiopia	5.78383	0.25941	0.27144	0.14773	0.26017	0.03913	0.82956
42	Fiji	8.17358	0.64736	0.27566	0.55956	0.51281	0.45439	0.68699
43	Finland	10.70329	0.78456	0.88080	0.69870	0.84019	0.89101	0.90896
44	France	10.58522	0.59193	0.85628	0.79669	0.87720	0.89862	0.98212
45	Georgia	7.89357	0.69068	0.84369	0.51801	0.62841	0.35828	0.52053
46	Germany	10.59305	0.61271	0.83760	0.74752	0.82561	0.89868	0.93151
47	Ghana	7.19519	0.52407	0.53484	0.60566	0.42429	0.06825	0.85407
48	Greece	10.18505	0.67281	0.80754	0.71849	0.83541	0.83555	0.92807
49	Guatemala	7.96624	0.49670	0.70205	0.39720	0.54003	0.44275	0.83069
50	Guyana	8.00503	0.73767	0.62494	0.56496	0.61328	0.10278	0.47103
51	Honduras	7.61382	0.68660	0.68139	0.40029	0.59642	0.42336	0.71386
52	Hungary	9.46374	0.93651	0.87349	0.66475	0.87274	0.88457	0.92708
53	Iceland	10.57842	0.91889	0.60608	0.81878	0.72423	0.50723	0.74089
54	India	7.2485	0.43417	0.44043	0.21715	0.41131	0.31777	0.91981
55	Indonesia	7.98922	0.52958	0.68970	0.14055	0.43579	0.32017	0.87101
56	Iran_Islm_Rep	8.56159	0.27100	0.30342	0.27779	0.59870	0.01108	0.70930
57	Ireland	10.74117	0.98653	0.87890	0.89252	0.94185	0.90679	0.90855
58	Israel	10.28575	0.74910	0.83079	0.74555	0.56935	0.86125	0.82403
59	Italy	10.43049	0.66624	0.83739	0.66956	0.73251	0.84243	0.98432
60	Jamaica	8.49679	0.77682	0.59467	0.66462	0.62988	0.11356	0.72371
61	Japan	10.67223	0.28268	0.69679	0.40461	0.70739	0.84058	0.88914
62	Jordan	8.39954	0.68527	0.61260	0.69049	0.77960	0.42695	0.87329
63	Kazakhstan	9.12337	0.81926	0.57009	0.54442	0.62605	0.04021	0.69353

64	Kenya	6.68711	0.31699	0.53841	0.35530	0.44059	0.06933	0.85272
65	Korea, Rep.	9.95475	0.63325	0.56942	0.42974	0.57431	0.40164	0.89197
66	Kuwait	10.72393	0.59831	0.76604	0.79114	0.78164	0.86944	0.61979
67	Kyrgyz_Rep	6.76273	0.70283	0.53135	0.44760	0.73282	0.04560	0.67760
68	Latvia	9.27454	0.55508	0.81681	0.70710	0.88706	0.44348	0.59190
69	Lesotho	6.88857	0.70878	0.41412	0.25089	0.53028	0.11248	0.37592
70	Lithuania	9.30338	0.63303	0.78364	0.61003	0.91017	0.41304	0.62068
71	Luxembourg	11.56262	1.00000	0.89259	0.93866	0.97476	0.48349	0.80999
72	Macedon_FYR	8.39706	0.63616	0.60837	0.62789	0.85524	0.39015	0.50717
73	Madagascar	6.04501	0.58139	0.40790	0.14044	0.45507	0.04560	0.68481
74	Malawi	5.87774	0.47906	0.42920	0.27580	0.38522	0.10817	0.54762
75	Malaysia	9.03277	0.90490	0.62279	0.64537	0.69366	0.86854	0.85045
76	Mali	6.39526	0.54706	0.45143	0.28270	0.35824	0.03481	0.75500
77	Malta	9.88323	0.96687	0.87767	0.78110	0.95792	0.50638	0.55064
78	Mauritania	7.03086	0.70982	0.48790	0.37081	0.47454	0.01000	0.65256
79	Mauritius	8.92106	0.71459	0.80143	0.65289	0.81218	0.41006	0.46054
80	Mexico	9.11614	0.58883	0.60591	0.44416	0.66402	0.40908	0.72864
81	Moldova	7.39388	0.67419	0.63600	0.51610	0.84066	0.39735	0.56736
82	Mongolia	7.71735	0.77036	0.69577	0.17411	0.52997	0.02834	0.71030
83	Morocco	7.96032	0.56325	0.44588	0.45282	0.69529	0.36799	0.89511
84	Mozambique	6.01127	0.59569	0.47053	0.21303	0.53747	0.11033	0.68069
85	Namibia	8.54189	0.75695	0.46103	0.74037	0.51222	0.09091	0.66141
86	Nepal	6.28227	0.15697	0.36682	0.26209	0.37166	0.04884	0.70908
87	Netherlands	9.91941	0.94234	0.89584	0.84728	0.87933	0.91247	0.93986
88	New Zealand	10.38505	0.73722	0.87852	0.78634	0.86744	0.50254	0.82733
89	Nicaragua	7.03174	0.55597	0.65133	0.38033	0.60521	0.42636	0.58796
90	Niger	5.88053	0.42308	0.24466	0.13144	0.30319	0.05747	0.73450
91	Nigeria	7.12287	0.71286	0.63727	0.27545	0.42226	0.04992	0.90901
92	Norway	11.34556	0.81333	0.72709	0.79263	0.79406	0.88902	0.93067
93	Oman	9.94228	0.76069	0.76507	0.76193	0.58654	0.38319	0.46524
94	Pakistan	6.91075	0.37095	0.45195	0.32563	0.44186	0.30795	0.89872
95	Panama	8.93774	0.92764	0.69849	0.52188	0.75758	0.48973	0.62494
96	Papua_N-Guin	7.26403	0.78689	0.63068	0.18242	0.56874	0.07149	0.44708
97	Paraguay	7.92696	0.54640	0.59126	0.37606	0.54719	0.37350	0.78287
98	Peru	8.59619	0.67112	0.79441	0.31433	0.53642	0.37230	0.85758
99	Philippines	7.66856	0.58928	0.51898	0.29209	0.45197	0.39601	0.85033
100	Poland	9.41434	0.73445	0.74479	0.57318	0.90701	0.84322	0.95171
101	Portugal	9.97292	0.81670	0.85407	0.76869	0.91086	0.85340	0.94359
102	Romania	8.92559	0.57378	0.81008	0.49929	0.76620	0.80328	0.91798
103	Russian_Fedr	9.24484	0.67538	0.41574	0.42881	0.79475	0.79111	0.85686
104	Rwanda	6.27664	0.26484	0.31811	0.32750	0.42247	0.09522	0.69575
105	Senegal	6.94022	0.50367	0.41882	0.47446	0.60417	0.06933	0.88421
106	Serbia	8.5415	0.60812	0.60028	0.60493	0.92842	0.40213	0.82597
107	Sierra Leone	5.86363	0.41634	0.40351	0.21577	0.33088	0.01000	0.63985
108	Singapore	10.687	0.98739	0.96044	0.90477	0.86774	0.96562	0.75100
109	Slovak_Rep	9.67884	0.82947	0.85180	0.64173	0.95976	0.86660	0.85658

110	Slovenia	10.04802	0.77125	0.77823	0.76765	0.94371	0.46780	0.83499
111	South Africa	8.88945	0.67428	0.64199	0.46020	0.53057	0.40560	0.87521
112	Spain	10.32689	0.75559	0.81923	0.72845	0.84475	0.86646	0.96684
113	Sri Lanka	7.77275	0.34688	0.44653	0.40296	0.49102	0.31993	0.77016
114	Sweden	10.79766	0.88684	0.89269	0.78617	0.77709	0.91095	0.95864
115	Switzerland	11.14012	0.91260	0.65519	0.91512	0.82989	0.94536	0.94125
116	SyrianArab-Rep	7.9831	0.42632	0.40515	0.50809	0.48367	0.01432	0.58642
117	Tanzania	6.24611	0.40872	0.46972	0.22973	0.35615	0.04560	0.58900
118	Thailand	8.43663	0.79547	0.59564	0.34739	0.66258	0.37181	0.81595
119	Togo	6.2634	0.62396	0.35741	0.36562	0.39507	0.03697	0.74197
120	Trinidad-Togo	9.62938	0.82544	0.71282	0.59136	0.67170	0.07473	0.51013
121	Tunisia	8.34806	0.70568	0.48960	0.45631	0.64962	0.03913	0.87474
122	Turkey	9.2198	0.51404	0.67114	0.48013	0.68893	0.76517	0.93212
123	Uganda	6.23245	0.46705	0.58793	0.23413	0.39005	0.06933	0.74339
124	Ukraine	8.01797	0.74735	0.60038	0.54323	0.75100	0.39219	0.86329
125	United Kingdom	10.50032	0.65644	0.89824	0.76245	0.88089	0.92740	0.96433
126	United States	10.7482	0.43834	0.77827	0.65905	0.76101	0.87784	0.92472
127	Uruguay	9.38865	0.63446	0.69089	0.51939	0.57820	0.42249	0.85823
128	Venezuela_RB	9.51067	0.42804	0.38096	0.37143	0.66904	0.40272	0.68661
129	Vietnam	7.07581	0.76680	0.46630	0.17020	0.53183	0.02079	0.56118
130	Zambia	7.12125	0.62010	0.61085	0.27770	0.49065	0.07581	0.78021
131	Zimbabwe	6.35089	0.72814	0.36390	0.41820	0.50146	0.05962	0.73552

Source: (i) For Indicators of Globalization - http://globalization.kof.ethz.ch;
(ii) For PCGDP(USD) - http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)_per_capita

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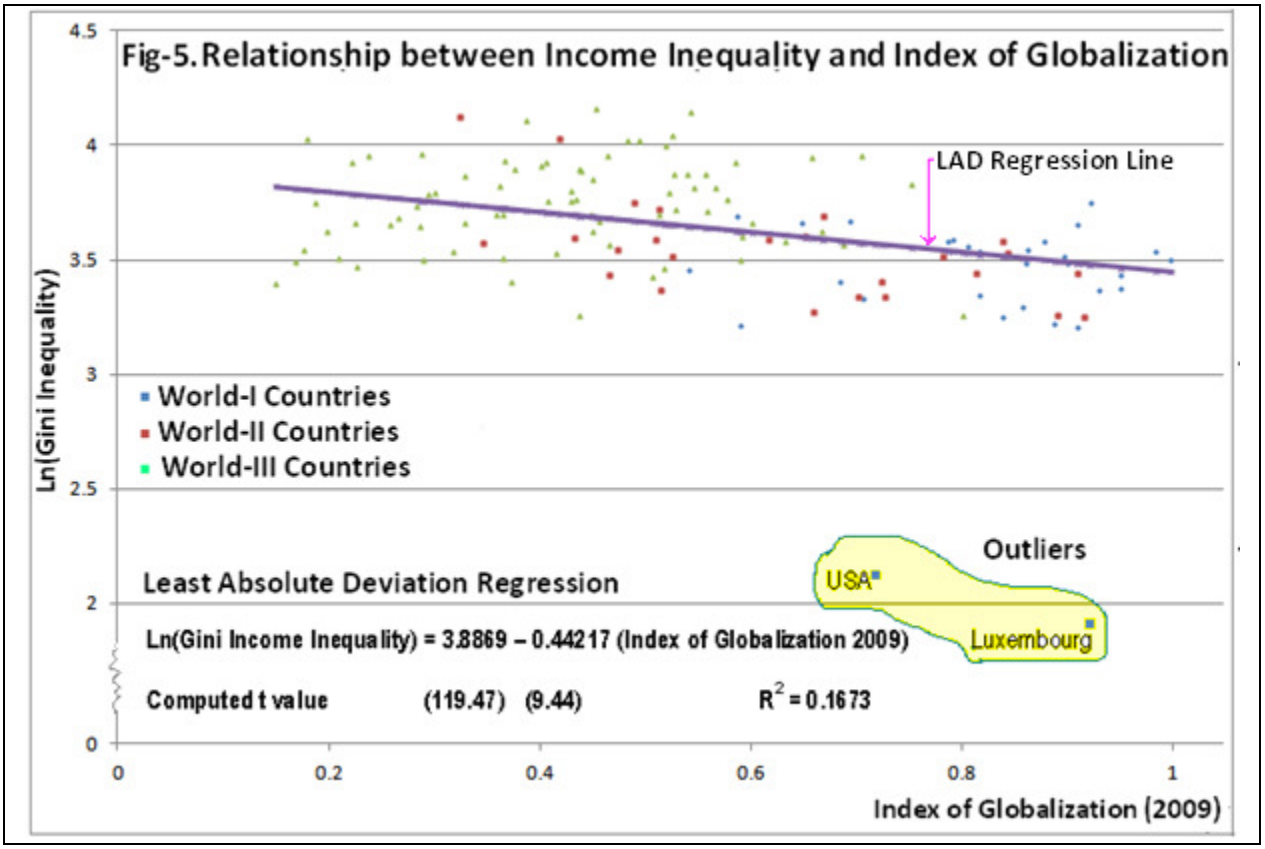
Table-6. Summary for Regression Analysis of Ln[PCGDP(USD)] on Indicators of Globalization [R^2 = 0.80648408; F(6,124)=86.129; p<0.00000; Std.Error of estimate: 0.68997]

	Beta	See(beta)	Regr. Coefficients	See(coeff)	't' value	Prob
Intercpt	-	-	4.792618	0.487652	9.827945	0.000000
ECO-1	0.081665	0.056992	0.680335	0.474789	1.432920	0.154397
ECO-2	0.046562	0.064211	0.378833	0.522431	0.725135	0.469735
SOC-1	0.353264	0.070162	2.438098	0.484229	5.035012	0.000002
SOC-2	0.167647	0.073867	1.379214	0.607696	2.269580	0.024960
SOC-3	0.361336	0.072886	1.709941	0.344916	4.957553	0.000002
POL-1	0.037014	0.050773	0.370008	0.507542	0.729021	0.467364

Relationship between Globalization and Income Inequality: In Fig.-5 we present the relationship between the composite index of globalization (2009) and the income inequality (measured as the natural logarithm of the Gini coefficient of income distribution) in the countries under study. Unfortunately, the data for inequality in income distribution are not available consistently for any year. We have assumed, therefore, that the measures of income inequality (reported by the World Bank and some other organizations) available for the latest year (mostly for 2006-2009, but a few over a decade old) may serve as a proxy. With this limitation we regress the $\log_e$(Gini

coefficient of income distribution) on the index of globalization-2009. The data have two outliers, namely USA and Luxembourg. So we have used the *Least Absolute Deviation* (LAD) *Regression*. We find that the level of globalization is (inversely) correlated with the inequality in income distribution and the regression coefficients are statistically significant. R^2, though statistically significant, is small.



VI. Concluding Remarks

Globalization became a buzzword as well as the only path to economic survival of the countries in the World-II, especially after the dissolution of the Soviet Union. The countries under the influence of the USSR also had to choose globalization as the only available path. The World-III countries that were colonies of the developed nations before their independence had a natural inclination to go in for globalization, especially to cope up with their needs of international financial assistance and the ever-increasing burden of international debt. For example, India, that claimed to have a faith in the 'socialistic pattern of society' but hatched capitalism in disguise (Jha, 1963), hurriedly opted for economic reforms leading to liberalization and globalization (Mishra, 2012). China that claims to be a socialistic economy has been taking progressively active steps in this direction to become a highly attractive destination to large foreign direct investment (Chen, 2011). They realized that technological progress, accessibility to

financial assistance and expansion of trade depended on their choosing the path to globalization. The World-I countries also have a need to expand their markets, seek a source of cheaper manpower by outsourcing and expand the domain of multinational corporation as well as to maintain their dominance in the world politico-economic sphere. This mutual need paved the way to world-wide globalization especially in the post-1990 years.

Consequently we observe the increasing trends in globalization of the World-II and World-III countries. The tendencies to integration convergence to the world economic order and decrease in the disparities in the level of globalization are clearly discernible. Viewed differently, it is also a triumph of capitalism over the alternative philosophy of socialism. But, it has also shown that crisis in the World-I countries may easily percolate to the World-II and World-III countries. There is another subtle point in the world-wide acceptance of globalization as the only road to economic development (of the world-II and World-III) countries. The philosophy of globalization indirectly suggests that the poor are the helpless victims of their environment, people at the mercy of external forces and without wills of their own, implying that they are without the primary human characteristic of responsibility. Poverty is thus a condition caused by external forces and not by personal conduct and therefore economic achievement does not depend so much on people's attributes, attitudes, motivations, mores and political arrangements (Bauer, 1981). These implicit suggestions of prescribing globalization as the only road to development have fundamental and long run implication as to the future of the World-II and the World-III countries.

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